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ON THE IMMEDIATE TASKS OF SOCIALIST ECONOMIC CONSTRUCTION

SUMMARY of the REPORT Delivered by Comrade KIM IL,

First Vice-Premier of the Cabinet of the Democratic People's Republic of Korea, At the Conference of the Workers' Party of Korea on October 10, 1966

At the fifth-day sitting of the Conference of the Workers' Party of Korea, Comrade Kim Il, First Vice-Premier of the Democratic People's Republic of Korea, made the report "On the Immediate Tasks of Socialist Economic Construction," second item on the agenda of the Conference.

The report consists of five parts including "On Carrying on the Seven-Year Plan While Building the Economy in Parallel with National Defence."

In the first part of his report, Comrade Kim Il declared that the Seven-Year Plan set forth by our Party at its Fourth Congress for further advancing socialist construction in the northern part of our country after summing up the historic victory in the building of the foundations of socialism, is a magnificent programme of socialist construction which provides for the rapid development of all branches of the national economy including industry and agriculture as well as of science and culture.

Referring to the tremendous successes scored in all fields of socialist construction in the past five to six years, the reporter went on:

Industrial and agricultural production has grown, science and technology have made rapid progress and the technical equipment of the national economy as a whole has been reinforced. Our towns and villages have been built more splendidly and the material and cultural standards of the people have been enhanced.

Over the past five years in the fulfilment of the Seven-Year Plan, the annual rate of growth in industrial production reached 14.3 per cent on an average. In 1965 industrial output was 1.95 times that in 1960. It was 13 times as great as in the pre-war year of 1949 and 15 times as much as in 1944, the year before the liberation of the country.

In the five years from 1961 to 1965 as many as 300 large modernly-equipped industrial enterprises and workshops were built newly, among them the Kanggye Youth Power Plant, the No. 7 electric hearth and the drawn pipe factory of the Kangson Steel Plant, the No. 2 blast furnace, bloomery and No. 3 thin plate shop of the Hwanghae Iron and Steel Works, No. 2 medium plate shop of the Songjin Steel Plant, the converter shop of the Kim Chaek Iron and Steel Works, the non-ferrous metal rolling factory of the Nampo Smeltery, the Sinuiju Chemical Fibre Mill, the superphosphate and urea fertilizer factories of the Hunguam Fertilizer Combine, the caustic soda factory of the Hungnam Chemical Combine, the Pyongyang Electric-wire Factory, the foundry of the Huichon Machine-tool Plant, the forge of the Daechon Automobile Plant, the heavy-machine processing and assembly shop of the Kiyang Tractor Plant, the heavy-machine finishing shop of the Pyongsong Machine Plant, the assembly shop of the Bukjung Machine Plant, the assembly shop of the Rak-won Machine Plant, the large-sized generator shop of the Dean Electrical-machine Plant, the Hamhung Metal-lit-tings Factory, the ore dressing shop of the Mandok Mine, the ore dressing shop of the Dongchang Mine, the Hyesan Textile Mill, the Hyesan Paper Mill, the Son-gyo Knitted Goods Factory, the Pyongyang Daily Necessities Combine, the Kanggye Shoe-making Factory, the Honryong Sugar Refinery, etc. Besides, over 2,200 medium and small factories, workshops and branch workshops were put into operation. Along with this, a large number of existing factories and other enterprises including the Chongjin Chemical Fibre Mill, the Pyongyang Textile Combine and the Sinuiju Textile Mill were rebuilt or enlarged on the basis of modern techniques. With the overall consolidation of raw-material bases of industry, greater possibility has been created for developing our industry by relying on the domestic natural resources and raw material sources.

Our heavy-industry bases have been readjusted and reinforced and the output of various heavy-industry goods has increased markedly. This year our heavy industry will turn out 12.500 million kwh. of electricity, approximately 20 million tons of coal, 1.5 million tons of pig iron and granulated iron, 1.3 million tons of steel and greater quantities of other products. Over the last five years the output value in the sphere of engineering industry has grown 2.7 times. Our heavy industry today has come to display still greater capacity as the material foundations for consolidating the political and economic independence of the country and accelerating the overall technical reconstruction of the national economy, and has come to serve better for the development of light industry and agriculture and improvement of the people's livelihood.

With regard to the production of consumer goods, our Party set forth the line of laying main stress on the simultaneous development of centrally-controlled and local industries and, at the same time, of strengthening the daily necessaries shops at the industrial enterprises under the central authority and opening branch workshops and domestic workteams on a wide scale. This line of our Party in the production of consumer goods has not only brought about a sharp increase in output, but has promoted the extension of variety of goods and improvement of their quality. Between 1961 and 1965, the output of the textile industry increased two-fold; the food and the tobacco-beverages condiments industry — 1.24 times; the production of articles for cultural use and household goods — 3 times.

Particularly, the "Theses on the Socialist Agrarian Question in Our Country" formulated by Comrade Kim Il Sung, serving as our Party's Marxist-Leninist programme for agriculture, has opened up broad vistas before our co-operative farmers and has become a powerful weapon for promoting the development of agriculture and the building of our socialist countryside as a whole, stressed the reporter.

Noting that over the last five years the technical revolution in the countryside has taken another step forward, the reporter went on: the area of paddies increased from 510,000 *jongbo* (one jongbo approximates to one hectare) in 1960 to over 654,000 jongbo in 1965, and it has been made possible to protect the farmlands and crops still better from the damage of floods and land slides. Moreover, progress is made in the mechanization of agriculture, farm machine stations have been established in almost all counties and the number of tractors owned by co-operative farm has reached five on an average. In 1965 the area of fields worked by machine nearly doubled in comparison with 1960 and the irri-gation and transportation have been mechanized in a considerable measure. By the end of 1965, 96 per cent of the farm villages were and 81.3 per cent of the farm households had electricity supply in our country. In the last five years the amount of chemical fertilizers supplied per hectare of the cultivated land increased 1.8 times and the supply of agricultural chemicals 1.7 times respectively.

Though in recent years agricultural production has suffered to a certain degree from severe natural calamities such as drought, floods, storm, frost in spring and damage by blight and noxious insects which visited our country in succession, the grain yield in 1965 was 19 per cent larger than in 1960. Of the grain, rice production grew by 37 per cent and the qualitative composition of grain production improved.

Pointing out that with the progress of socialist construction and growth of production, the material and cultural standards of the people have risen still higher, the reporter continued:

Between 1960 and 1965 the national income grew 1.6 times. Our Party paid profound attention to the rational distribution of national income on the principle of properly combining the future development of the national economy with the strengthening of defence capacity and improvement of the people's livelihood.

The system of agricultural tax in kind has been abolished once and for all according to the line set forth in the decision of the Fourth Congress of our Party and in the "Theses on the Socialist Agrarian Question in Our Country." More, capital construction in the countryside is done with state investments, and houses are built for the farmers at the expense of the State. In this way enormous measures are taken for the improvement of the farmers' livelihood. The money allocated by the State for the improvement of the farmers' living conditions over the past five years alone amounts to 1,000 million won.

In towns and villages housing construction continued to progress on a large scale and the housing conditions of the working people have been improved further. Between 1961 and 1965 dwellings with a floor space of 8,441,000 square metres in the urban communities and with a floor space of 7,205,000 square metres in the countryside were newly built and turned over to the working people. In the last five years the state allocations for social and cultural services increased by 33 per cent.

Next year our country is expected to go over from the present seven-year compulsory education system to a nine year one.

Saying that these achievements in socialist construction, however, have by no means been attained easily, the reporter declared: over the last five to six years our Party and people have worked hard to carry out the enormous tasks of the Seven-Year Plan under very complicated circumstances at home and abroad. On the one hand, the aggressive manoeuvres of the imperialists headed by the U.S. imperialists and their lackeys have been stepped up and the danger of war has grown in all parts of Asia including our country and, on the other, the unity and cohesion of the socialist camp has been weakened and the economic and cultural co-operation between the fraternal countries, too, has failed to proceed on a normal basis, owing to the harmful influence of opportunism of various hues including modern revisionism in the socialist camp and the international communist movement. This situation could not but affect our socialist construction, and has created a number of difficulties and hardships in our fulfilment of the Seven-Year Plan.

Referring to the tremendous successes our Party and people have been overcoming adverse situations and circumstances, the reporter stressed: this signifies a brilliant victory for our Party's line of properly combining economic construction with defence upbuilding and of building an independent national economy on the principle of self-reliance.

In the first part of his report, Comrade Kim Il touched on the question of carrying on the Seven-Year Plan while building the economy in parallel with national defence.

Noting that the simultaneous carrying out of economic construction and defence upbuilding is one Party's fundamental policy for successfully promoting the revolution and construction in the present situation, the reporter declared:

Once a Marxist-Leninist Party has assumed power, it is held responsible for the livelihood of the people and is in duty bound to steadily improve their welfare.

A Marxist-Leninist Party which has taken power must vigorously push forward economic construction, at the same time, pay profound attention to the boosting of defence capacity.

So long as there is imperialism, the danger of war cannot disappear, nor can the world be tranquil by any means.

We Communists do not want war, but cannot help building up defences to protect the country and the people from the aggression of the imperialists. Particularly, we are building socialism standing face to face with the aggressive forces of U.S. imperialism under conditions of national division. So, it acquires special importance for us in increase our defence potential, and our military expenditure remains at a fairly high level even in time of peace.

In recent years when the imperialists have become pronounced in their aggressive manoeuvres, our Party could not but build up our defence capacity further. In accordance with the Party's policy, we took the bold step of further increasing the defence capacity, while moderating economic development to a degree. As a result, we are able to safeguard the country reliably even in the tense situation of today.

At present the aggressive acts of the U.S. imperialists are being stepped up every day and the situation is becoming tenser.

The prevailing situation calls for continued adherence to and more thorough implementation of the Party's policy for carrying on economic construction in parallel with the building of defences.

Today, our immediate task in the building of socialist economy is the fulfilment of the Seven-Year Plan, said the reporter, and went on:

When the Seven-Year Plan is fulfilled, our country will gradually turn from an industrial-agricultural state into an industrial power, our society will assume a new appearance and the living standards of the people will radically improve.

The fulfilment of the Seven-Year Plan will open up a new phase in fortifying our revolutionary base into an impregnable one and achieving the cause of national unification. It will also strengthen the foundations of the national economy making it possible to rehabilitate the devastated economy of South Korea and rapidly improve the livelihood of the people in South Korea after the country's unification in the future.

Saying that we must hold fast to and carry to fulfilment the Seven-Year Plan by all means, the reporter stressed:

While striving for the fulfilment of the Seven-Year Plan, we must further increase the defence capabilities to safeguard the security of our country.

It is necessary to thoroughly implement the military line of the Party — the policy for the transformation of the army into a cadre army, modernization of the armed forces, arming of the entire people, and for the fortification of the whole country — and strengthen the rear.

We must produce an adequate amount of weapons of various military-technical equipment needed for improving the technical outfit of the People's Army and arming the entire people, building up munitions factories well and further developing the munitions industry, and must carry out defence projects extensively for the fortification of the whole country. This implies that more labour power, materials and funds should be diverted to the munitions industry and defence projects.

A war is decided largely by who has sufficient manpower and who fully mobilizes the national economy for the front and the rear. It is therefore necessary to pay profound attention to the consolidation of the rear and carry on the work of reorganizing the economy in keeping with the requirements of the situation.

The national economy should be organized in such a way that heavy-industry goods, consumer goods and agricultural produce may be turned out without interruption even in time of emergency.

All these strategic measures which our Party has carried out in recent years and will continue to carry out in the future in the light of the prevailing situation demand lots of additional manpower and materials. This inevitably will affect the rate of development of our national economy. We, however, must carry out this work at all costs to make the country's defences complete.

Only when we make our defences impregnable and are on the stand-by alert at all times, can we prevent war, foil aggression and defend the country and the people in the event of the enemy provoking a war. And we can push forward socialist construction confidently on a firm and secure basis only if we maintain an impregnable defence setup.

In this connection, we should properly readjust the economic development of the country and postpone the fulfilment of the Seven-Year Plan for some time. We suggest that, while thoroughly carrying out the tasks contained in the Seven-Year Plan, we extend the time limit for the purpose of further reinforcing the defence capacity.

Taking into consideration the present situation and the actual conditions of our country, the Central Committee of the Party decided to put off the fulfilment of the Seven-Year Plan for three years and bring up the matter for discussion at this Party Conference. This step proposed by the Party is a bold, positive step necessitated by the changed situation, and it is fully in accord with the fundamental interests of the revolution and construction in our country at the present time, stressed the reporter.

In the second part of his report, Comrade Kim Il referred to the question of effectively utilizing existing economic foundations and raising quality in all spheres.

The most important thing in the building of socialist economy in our country today is to make the best use of the economic foundations already laid, expand the variety of goods and raise their quality, he declared.

Noting that we have already laid ample economic foundations including over one hundred modern machine plants, and that our industry and agriculture have enormous production potentialities, the reporter said that if we make an efficient use of our economic foundations, it is possible for us to increase production far more than at present without undertaking new construction projects.

If we expand the variety of products and decisively raise their quality, we can more adequately meet the needs of the national economy and the population with the present volume of production.

In this connection, the central task in industry is to place production on a normal footing and utilize production capacities to the maximum, pointed out the reporter.

For the normalization of production in industry, he continued, power and mining industries must be pushed ahead of other branches, and more flesh must be added to the skeletons of industry so as to improve its production structure and perfect the equipment of enterprises.

The reporter also dwelt on the central tasks of the rural economy for making an effective use of the material and technical foundations already laid, the tasks of the transport branch for ensuring smooth production ties between all branches of the national economy and enterprises and on the tasks for improving the quality of products and increasing their variety in all industrial fields.

By waging a vigorous struggle to turn the production potentialities of the already-built economic foundations to full account, raise the quality of goods and expand their variety, we should see that the powerful foundations of an independent economy, which our people have laid through rigid economization and hard work under the leadership of the Party, present yet greater effects for the prosperity and development of our country and the betterment of our people's livelihood, stressed the reporter.

Referring to the question of continuing construction work for expanded reproduction while further improving the people's livelihood, the reporter declared: it is one of the most important problems in the building of socialism to correctly combine accumulation with consumption, economic construction with the people's livelihood.

Our Party has always adhered to the correct line of properly combining the future development of the national economy with the immediate livelihood of the population and of systematically increasing consumption while steadily boosting accumulation. This is the very principle from which stems our Party's line of economic construction on giving priority to the growth of heavy industry while simultaneously developing light industry and agriculture.

In the future, too, we must rationally adjust the balance between accumulation and consumption and, in particular, implement the Party's policy on properly combining economic construction, defence upbuilding and people's livelihood in keeping with the requirements of the prevailing situation.

We must make an effective use of the already laid foundation of heavy industry so that it may serve light industry and agriculture better, and turn out consumer goods and farm produce in large quantities to elevate the people's living standards to a higher level.

Then the reporter touched upon a number of important tasks for fully solving the food problem, increasing the supply of foodstuffs including vegetables, meat and edible oil to the working people, processing more aquatic products, and boosting the yield of fruit trees on the 130,000 odd *jongbo* of orchards already created, by tending them properly.

He also reported on the tasks for more satisfactorily solving the problem of clothing, boosting the production of household goods and goods for cultural use and for adequately meeting the requirements of the working people for dwellings.

Saying that capital construction should be carried on continually, he further expand and reinforce the country's economic foundations, the reporter stressed: the key issue in the field of capital construction is to correctly define the orientation of investments and the priority order of the objects of construction, carry out construction in an intensive way according to priority order and raise the effectiveness of investments to the maximum.

Then he cited the major objects of capital construction.

The reporter went on:

In the power industry, work on the Wunbeng Power Station now in progress should be completed as early as possible, and then the construction of new large-scale hydroelectric power plants in Sodusu and Wiwon should be pushed ahead. The branch of thermal power generation, the building of the Pyongyang Thermal Power Station should be brought to completion by 1967, and the Bukchang Thermal Power Station with a capacity of 600,000 kw. newly built.

The reporter declared: in the mining industry coal reserves equal to the total capacity of one million tons each will be built at the Anju colliery and the northern Hunryung area respectively, and necessary ore dressing plants will be built in number of mines. In the ferrous metal industry, a new sintering oven and coking battery, and oxygen converter and rolling shops will be built in the Kim Chaek Iron and Steel Works and a granulated-iron shop with a capacity of 200,000-300,000 tons in the Kangson Steel Plant. In the non-ferrous metal industry, the construction of an alumina factory will be stepped up.

In the chemical industry, the third and fourth-stage projects of a plant for compounding ammonia through the gasification of coal should be completed; the construction of a new chemical fibre and a plastic material factory should be finished; work on the second section of the gasification projects and on a urea shop at the Aoji Chemical Factory should be completed; the expansion work at the Vinalon Factory and the Sinuiju Chemical Fibre Mill and the construction of a caustic soda shop factory and an oil refinery pushed ahead. And a caustic soda factory and an ammonium factory should be built in the new base of chemical industry in the western region.

In the engineering industry, a bearing factory, an electronic tube factory, an automation apparatus factory and a tyre factory should be built.

In the building materials industry, more modernly-equipped, large-sized plants should be set up at the February 8th Madong, the Sunghori and the Haeju cement factories.

In light industry, the construction of the Hamhung Woollen Textile Mill should be completed, and the construction projects for creating a new cotton mill of 150,000 spindles should be pushed forward.

After referring to the tasks for making rational use of production space of existing factories and other enterprises, the reporter stressed:

Capital construction is a vital undertaking concerning the future prosperity of the country and the basic factor determining the rate of development and balance of the national economy. We must correctly set the scale and direction of capital investments in conformity with the political and economic tasks set forth by the Party and with the concrete conditions of the country, and also decide on each object of construction and their priority order on the basis of strict and comprehensive scientific, technical and economic calculations.

In the fourth part of his report, "On Developing Science and Technology and Promoting the Technical Revolution," Comrade Kim Il declared: the Seven-Year Plan provides for mechanization of production processes and gradual change-over to semi-automation and automation in industry and in particular, the technical reconstruction of local industry, and, in agriculture, extensive promotion of irrigation, mechanization, electrification and chemicalization and wide-scale introduction of advanced methods of farming.

Referring to the scientific and technical achievements made in the past five years, the reporter went on:

New, big strides can be made in the carrying out of technical revolution if our scientific and technical achievements are perfected and brought into production. We should tackle for ourselves those scientific and technical matters which are urgently needed for us and which we are able to solve, and, also, should actively carry on the work of widely introducing scientific and technical achievements of foreign countries and applying them to suit our own conditions.

Then the reporter dwelt on the tasks for improving technical guidance, introducing advanced technical methods on an extensive scale, raising the existing production capacity and rapidly developing technical engineering, mechanical engineering in particular. Continued attention should also be directed to developing radio engineering and electronics, said the reporter.

The reporter referred to the question of continuously pushing forward the work of scientific research for producing new types of synthetic fibres and synthetic plastics and for intensifying the production of organic synthetic raw materials.

He also referred to the tasks for strengthening the scientific research work for establishing a scientific farming system and researches into the chemical and biological methods of quickening the growth of crops and animals and raising their productivity, research work for increasing the efficiency of various chemical fertilizers and agricultural chemicals, researches into microelement fertilizers and kinds of new seed killers as well as nutritional physiology, stimulus physiology, etc.

Then he referred to the tasks for strengthening the research work in the realms of stockbreeding science, forest science and oceanographical science.

Saying that our scientists and technicians are now working in all spheres of the national economy, the reporter declared: weighty duties are devolved upon the scientists and technicians in accelerating the development of technique and enhancing the overall technical level.

The reporter went on to stress:

Full-scale technical revolution is a tremendous work of replacing old technique with new one in all fields of the national economy, it is a complex and arduous task which can be accomplished only after surmounting many difficulties and obstacles. Accordingly, it cannot be fulfilled by the professional scientists and technicians alone. It can be successfully performed only by enlisting the creative wisdom and activity of the broad masses of the producers.

The technical level and skill of the working people must be elevated. And we must see to it that the ties and co-operation between scientists and technicians and producers are strengthened, movements for innovation and rationalization unfolded widely among the working masses and all wisdom of the masses fully enlisted for technical renovation.

In the concluding part of his report, Comrade Kim Il declared: though it is very difficult to carry out the vast tasks of socialist economic construction while further increasing defence capacity, we are fully capable of doing so. The question is for our functionaries to direct and manage the national economy skillfully and manage the economic life methodically on the basis of the Party's policies and the objective laws of the economy, and to properly arouse and utilize the popular revolutionary enthusiasm of the masses.

It is presented as an urgent question as never before for the country's socialist construction today to improve the guidance and management of the national economy.

The basic guarantee for improving the guidance and management of the national economy lies in the thorough establishment of the Daean work system in all branches. This work system is the excellent form of management of socialist economy created by our Party under the leadership of Comrade Kim Il Sung, and its superiority has already been confirmed by life.

The essential requirement of the Daean system is to thoroughly implement the mass line in the guidance and management of the economy and to manage the economy in a scientific and rational way.

In this connection, the question of improving the planning work should be solved before anything else.

The national economic plans should not only ensure the overall balance of economic development correctly, but also should be concrete and detailed: they must ensure proper mutual links between all branches and between all enterprises even to detail. If, in any kind of undertaking, only big strategic goals are set and individual battles are fought at hazard without concrete and detailed plans of action for attaining the strategic goals, those goals can never be reached. In the planning of the national economy, too, if general indices of economic development and big figures alone are laid down and concrete schemes are not laid in a detailed manner, the plan will remain a mere paper plan.

In brief, our plans should be so mapped out in such a way as to make it possible to maintain the over-all balance correctly in line with the general direction of economic development set by the Party and, at the same time, to ensure proper interrelations between all branches and between enterprises to move detail in conformity with their actual conditions. This is the way of meeting the requirements of the Daean system in planning and of assuring the planned and balanced development of the socialist economy.

After referring to the tasks for improving and perfecting the planning of the quality-indices of economic development together with its quantity indices and for thoroughly applying the mass line in planning and bringing the advantages of the unified planning system into full play, the reporter continued:

It is one of the basic principles of socialist economic management to produce and build in greater quantities, in higher quality and at cheaper costs, while tapping the reserves and potentialities latent in the national economy to the utmost and practising the strictest economy in labour, materials and funds.

Our economic executives must base their work thoroughly on the objective laws of the economy, applying them correctly, and conduct all work of production and construction strictly on the basis of scientific, technical and economic calculations.

In reference to the question of strengthening the Party's leadership over the economic construction, the reporter stressed: the essence of the Daean system is to establish a system of work under which the economic agencies and enterprises shall carry out their work under the collective direction of their respective Party committees and solve their economic tasks by giving priority to political work and relying on the masses to activity, and the organs at the higher levels assist the lower organs and the seniors help their subordinates.

Noting that the Party committees should play the role of helmsman with credit and deepen and develop the organizational and ideological work of the Party on an extensive scale, the reporter emphasized:

Comrade Kim Il Sung concretized and creatively developed the Marxist-Leninist theory on the Party to suit the actual conditions of socialist construction in this country, and thereby elucidated scientifically what position the Marxist-Leninist Party which has seized power should take, what functions and role it should undertake and by what methods it should do its work in the building of socialism. There is no shadow of doubt that if all the Party organs and Party workers thoroughly grasp Comrade Kim Il Sung's ideas on the Party work and correctly implement it in their practical work, both political and economic work will be consolidated and the socialist construction still more stepped up on the whole.

Referring to the concrete tasks for improving work with the masses, which is basic to Party work, raising functionaries into revolutionaries, rapidly enhancing their Marxist-Leninist theoretical level, that of economic theory in particular, and thoroughly implementing the mass line of our Party, the reporter emphasized:

Socialism can be built successfully when the broad sections of the toiling masses are educated, remoulded and united and their creative zeal and talents brought into full play under the leadership of a Marxist-Leninist Party. We must continue to implement the consistent line of our Party for giving priority to political work, raising other work and strengthening communist education to enable the working people to display voluntary enthusiasm and zeal, while, at the same time, correctly putting into effect the socialist principle of distribution and giving material stimulus to the working people in practice.

The Chollima (winged horse) movement, a mass movement that organically combines revolutionary innovation in the construction of the economy and culture with the work of educating and remoulding the working people, should be pushed ahead continuously and energetically, stressed the reporter.

Comrade Kim Il declared in conclusion:

We can overcome any difficult revolutionary task with credit when we, united firmly as one man, forge ahead along the path illumined by the Party, holding aloft the revolutionary banner of Marxism-Leninism.

All our Party members and working people, rallied still more closely around the Party Central Committee headed by Comrade Kim Il Sung and under the correct leadership of the Party, will continue to wage a vigorous struggle definitely to win fresh victories in socialist construction and fortify our revolutionary base still more.